

**NON-EXCLUSIVE TERM
PIPELINE RIGHT-OF-WAY**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF WEBB §

THAT, **Webb County Commissioners Court, Trustee for Webb County School District**, 1000 Houston, c/o Judge Danny Valdez, Laredo, Texas 78040, hereinafter called "Grantor", for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and subject to the limitations set out below, does hereby GRANT unto **Meritage Midstream Services, LLC**, whose address is 1120 Washington Avenue, Suite 200, Golden, Colorado 80401, its successors and assigns, hereinafter called "Grantee", a right-of-way thirty feet (30') in width (hereinafter called "right-of-way") for the purpose of laying, inspecting, maintaining, altering, repairing, operating, and removing one (1) pipeline only (hereafter sometimes referred to as "the Pipeline") with a nominal diameter not to exceed twelve inches (12"), for the transportation of natural gas and natural gas products, said natural gas and/or natural gas products being referred to as "Permitted Substances" over, through and across Grantor's lands, situated in Webb County, Texas, as depicted on Exhibit "A" and centerline being described by metes and bounds on Exhibit "B" attached hereto and made a part hereof for all purposes. This Pipeline Right-of-Way is hereafter referred to as "this Agreement".

The right-of-way shall be twelve thousand five hundred thirty-one and four tenths (12,531.4) feet in length, thirty feet (30') in width (being fifteen feet (15') on one side of the centerline of the Pipeline and fifteen feet (15') on the opposite side of said centerline) and seven feet (7') in depth (and up to thirty feet (30') in depth in areas where the pipeline is bored). Provided further that during construction, repair, alteration or replacement of the Pipeline, Grantee shall have an additional forty-five foot (45') temporary right-of-way adjacent to the thirty-foot (30') right-of-way, which temporary right-of-way shall terminate upon completion of construction, repair, or altering operations.

This grant is subject to the following terms and conditions, to-wit:

1. TERM AND CONSIDERATION

- 1.1 In consideration of the payment made by Grantee to Grantor, the receipt of which is hereby acknowledged, Grantor grants to Grantee, its successors and assigns the rights herein granted for a term of ten (10) years beginning of even date herewith and as long thereafter as natural gas and natural gas products are actually transported through the Pipeline without cessation of more than twelve (12) consecutive months.

- 1.2 Consideration shall be \$15.00 per linear foot of pipeline laid. This right-of-way shall remain in force for a term of ten (10) years from the effective date of this agreement. At the termination of said ten (year) term, Grantee, its successors or

assigns, will be given the right to extend this right-of way for the consideration of \$15.00 per linear foot of pipeline adjusted for inflation by adding to such payment amount equal to the product of such \$15.00 per linear foot of pipeline times the percentage increase, if any, in the Consumer Price Index (CPI). The CPI shall mean the Consumer Price Index for all Urban Consumers (All Items) as promulgated by the Bureau of Labor Statistics of the United States Department of Labor (1982-1984 = 100). The CPI for the Month of December 2011 shall be designated as the Base Price Index and this Base Price Index shall be compared to the CPI for the month prior to said payment. Likewise, on or before each subsequent tenth (10th) anniversary date of this Agreement, Grantee, its successors or assigns, will be given the right to extend this right-of-way for the consideration of the previous renewal fee plus the product of such previous renewal fee per linear foot times the percentage increase, if any, in the CPI from the previous 10th anniversary date.

2. REVERSION

Upon termination of this Agreement, all rights herein granted shall revert to Grantor, and within ninety (90) days thereafter, Grantee shall give Grantor written notice of such termination and Grantor shall, within thirty (30) days after receipt of such notice, give Grantee notice that Grantee shall either (a) cut and cap the Pipeline at each end rendering it inert and shall abandon said pipeline; or (b) remove the pipeline installed hereunder and pay Grantor for all damages occasioned thereby. The notice from Grantee to Grantor of such termination shall specifically refer to the above option and shall further request that Grantor notify Grantee of Grantor's election within thirty (30) days after Grantor receives such notice. In the event of the removal of the pipeline and at any time up to but not exceeding two (2) years after the pipeline is removed, Grantee obligates itself to fill any and all ditches or depressions occasioned thereby, and to restore the surface of the land so disturbed to as near the condition of the adjoining land as practical. Also Grantee shall disk and seed all disturbed areas as provided in Paragraph 6.9 below. In the event Grantee fails to timely abandon same, then Grantor shall have the option but not the obligation of rendering the Pipeline inert by severing and sealing it at both ends of that portion of the Pipeline and doing so in accordance with applicable Texas Railroad Commission rules, regulations and procedures (provided an environmental assessment confirms to Grantor that the Pipeline is inert). In any event, Grantee shall remain liable to Grantor for all expenses and costs arising from Grantee's exercise of the rights granted herein, including any environmental claim relating to the Pipeline as provided under Section 9 hereof.

At any time after two (2) years after the date of this Agreement, Grantor and their heirs, successors and assigns may request that Grantee certify, in writing, whether Grantee or its predecessors or successors ceased actual transmission of Permitted Substances through this right-of-way for any period of twelve (12) consecutive months or more and Grantee covenants and agrees to respond in writing to such request within ninety (90) days after Grantee receives such written request. If Grantee fails to respond within such ninety (90) day period or responds that there has been a period of twelve (12) consecutive months or more when Permitted Substances were not actually transmitted through this right-of-way,

then this Agreement shall terminate at the expiration of the ninety (90) day period (in the former event) or at the expiration of the first twelve (12) month period of cessation of transmission (in the latter event). Notices and responses shall be mailed to the addresses indicated in Paragraph 11 below and mailed certified mail return receipt requested.

3. ACCESS

NOTHING CONTAINED IN THIS AGREEMENT SHALL EXPRESSLY OR IMPLIEDLY GRANT ANY RIGHTS TO ANYONE TO ENTER GRANTOR'S LANDS, OTHER THAN GRANTEE AND ITS AGENTS, CONTRACTORS, SUBCONTRACTORS AND EMPLOYEES WHO ARE ACTING UNDER AUTHORITY OF THIS AGREEMENT. During the period of this Agreement, Grantor grants to Grantee and its agents, contractors, subcontractors and employees, but not to any other person or party, the right to use a road for access, ingress and egress along a reasonable route designated by Grantor to get from a public road to this right-of-way, or in case of emergency such route as may be reasonably necessary in Grantee's opinion to avoid or minimize the risk of damage or loss to persons or property. Upon reaching this right-of-way, Grantee's access shall be limited to and along this right-of-way. Grantee must enter and exit Grantor's lands at the designated gate. Grantee is expressly prohibited from placing gates anywhere on Grantor's lands. Grantee shall place its own lock on the designated entrance gate. At no time will Grantee be allowed more than one (1) lock on such entry gate. Grantee, its contractors, subcontractors, service and supply personnel, its utility service suppliers and all other authorized representatives of Grantee having need to access this right-of-way shall use the same lock at each entrance. In the event Grantor presents persuasive evidence to Grantee that an authorized person has breached this Agreement, then Grantee agrees to remove such person from Grantor's lands. Grantee shall not authorize anyone to enter Grantor's lands except those acting under authority of this Agreement. The entry gate shall be kept locked except when passing. All other gates designated by Grantor shall be kept closed except when passing. Grantee shall be responsible and liable to repair and maintain the roads used by it on Grantor's lands. If other operators or third parties are authorized to use such road for commercial purposes, then Grantee shall only be responsible for its proportionate part of such repairs and maintenance. If Grantee uses the access herein granted for purposes other than as access to this right-of-way or if Grantee grants permission to unauthorized third parties to use Grantor's lands as access for any purposes, such use shall be a breach of this Agreement. In the event an unauthorized party uses access herein granted, then Grantee shall remove such party from Grantor's lands and thereafter prohibit such party from entering Grantor's lands. Grantee shall maintain and repair road damages caused by third parties who are acting under authority of this Agreement. In the event Grantee has the right of access on or across Grantor's lands under authority of a current, valid Oil and Gas Lease or other valid agreement with Grantor, then, so long as such use is in accordance with such Oil and Gas Lease or other agreement, then such use and access shall not constitute a breach of this Agreement. Grantor shall notify Grantee of each breach of any portion of this provision, however, if a breach occurs a second time, then Grantee shall pay Grantor a minimum of \$1,500.00 for each such breach and then Grantor's remedy for each subsequent breach shall be a minimum of \$2,000.00. Grantee agrees that any vehicles driven by any party entering Grantor's lands under the authority granted herein shall not exceed a speed

limit of twenty miles per hour (20 mph) while on Grantor's lands.

4. RESERVATIONS

Grantor, their heirs, successors and assigns reserve all rights to the above lands except the rights herein granted. Specifically, but not by way of limitation, Grantor reserves the right to use and operate on the surface of this right-of-way and to grant and enter into leases, contracts, liens, mortgages, rights-of-way, easements and permits on or across said lands, and develop and improve same; provided, however, that Grantor's use and operation or further grant of said lands shall not interfere with the rights herein granted to Grantee. Further, Grantor reserves the right to construct fences across this right-of-way. Grantor shall not construct, or allow to be constructed, any building, foundation, pad or other permanent structure within the right-of-way.

The easement, rights and privileges granted by Grantor to Grantee hereby are non-exclusive and Grantor reserves the right to convey similar rights and privileges to such other persons and at such other times as Grantor may so desire; provided that such additional rights and privileges granted shall be exercised in a reasonable manner so as not to interfere with the rights of Grantee herein.

It is further agreed that Grantee by the exercise of the rights and privileges granted hereby will not interfere with Grantor's usage of Grantor's lands described herein or adjacent hereto.

5. NO SURFACE FACILITIES

No pipeline facility, valve or equipment installed or constructed hereunder in connection with the Pipeline shall extend above the surface of the ground, except that Grantee shall be permitted to place above ground line posts, cathodic protection test leads and markers. Grantee shall not (a) fence or otherwise enclose this right-of-way or any part thereof; (b) install any telephone lines, telegraph lines, electric lines or any other surface or overhead lines on, over or across this right-of-way; or (c) disturb any surface facility or berm constructed by Grantor, without the prior written consent of Grantor.

6. CONSTRUCTION, REPAIR, ALTERATION and REMOVAL

Grantee agrees to accommodate Grantor's use of this right-of-way. This paragraph addresses construction, repair, alteration and removal operations, hereinafter referred to as "operations" or "operation".

6.1 Grantee shall not cut any boundary fence along or within Grantor's lands. Grantee shall consult with Grantor prior to cutting any interior fence. Should it be necessary to cut any interior fence or fences on Grantor's lands then in such event, Grantee is permitted to cut such fence provided that prior to cutting such fences there shall be installed six (6) 10-foot steel posts with not less than three and one half inches

(3½") diameter, each buried five (5) feet into the ground with three (3) posts on each side of the proposed cut. The posts are to be properly braced with horizontal braces and wired so that when the fence is cut, there will be no slackening of the wires. Immediately after any fences are cut, Grantee shall install a temporary gap to prevent livestock from crossing through the opening. Grantee shall maintain any such fence gaps closed at all time except when it is necessary to keep them open for pipeline installation operations. Further, upon completion of Pipeline installation operations, Grantee shall install a metal gate which, if requested by Grantor, shall be locked with a key to be furnished to Grantor.

- 6.2 Further Grantee agrees to initially construct the Pipeline so that the top thereof will be at least forty inches (40") below the existing ground level contour.
- 6.3 During each operation, Grantee shall leave or arrange for reasonable crossings over and across this right-of-way for any vehicles, equipment, cattle and/or livestock of Grantor, its tenants, lessees, successors or assigns. Immediately upon the conclusion of each operation affecting a currently existing road on Grantor's lands, Grantee shall replace such road to equal or better quality (with respect to both workmanship and material) existing on the affected road prior the commencement of such operation.
- 6.4 Grantee agrees that all clearing operations shall be first conducted with environmental brush cutters. After clearing with environmental brush cutters, Grantee shall scrape and clear the right-of-way with bull dozers and shall stack all vegetation on the side of the right-of-way. After the Pipeline is installed and prior to disking and seeding, Grantee shall spread the stacked vegetation along the right-of-way. Grantee agrees to leave the cleared right-of-way free of all trees, stumps, brush and debris, except for the stacked vegetation.
- 6.5 During each operation, all ditching or trenching shall be done in such a manner so that the top soil will be separated from the balance of the dirt removed in making the ditch or trench and so that any caliche or other rock will be separated from any dirt so removed. In backfilling after each operation, the top soil first removed shall be used as cover soil in such a manner as to result in it being returned to the top of the ditch as top soil.
- 6.6 Following any operation, Grantee agrees to backfill (in the manner aforesaid), pack and level any such ditch or trench opened and fill, grade and restore the surface of this right-of-way as near as practicable to its original level and contour as when entered upon and in such a manner that surface or rain water may pass and flow undisturbed and unimpeded from one side of the right-of-way to the other side of this right-of-way. If requested by Grantor, Grantee agrees to construct terraces or diversions along the right-of-way to prevent erosion.
- 6.7 Grantee agrees to level all ruts, mounds, ridges and depressions caused by each operation conducted by Grantee on Grantor' lands and property and upon request of

Grantor at any time up to but not exceeding two years after the Pipeline is repaired, replaced or removed, return to this right-of-way and correct, level and restore to the original ground level, any further settlement of the soil that shall occur following the previous filling or leveling of the same.

- 6.8 Grantee agrees to remove all stakes, posts, welding rods and parts thereof, pipe coating material, paper, rubbish and other material used in repair, or removal of the Pipeline, so as to leave the entire cleared area free of deleterious material.
- 6.9 After each operation, Grantee agrees to disk and seed the area affected by such operations with five (5) pounds of buffel grass seed per acre. However, Grantor shall have the option of disking and seeding the right-of-way and then requesting reasonable reimbursement for such operations, which reimbursement shall not exceed \$200.00 per affected acre.
- 6.10 Grantee agrees that its operations, as defined above and excluding emergency situations, shall take place only after dawn and prior to dusk. Further, during the periods between December 15 and January 17 of each year, such operations shall be conducted during the days of Monday through Friday.

7. MAINTENANCE

- 7.1 After construction, Grantee agrees not to enter Grantor's land, except for the purpose of exercising the rights and fulfilling the obligations of Grantee pursuant to this agreement. Prior to entering Grantor's lands, Grantee agrees to notify Grantor of the date and time that Grantee will enter and exit the property and in such event, Grantee may enter Grantor's lands during such specified dates and times. If State or Federal regulations or guidelines require Grantee to periodically inspect, maintain and repair the Pipeline, appurtenances or right-of-way, then Grantee shall have the right to conduct such inspections, maintenance or repair of the Pipeline, appurtenances and right-of-way. If, in Grantee's sole and reasonable judgment under circumstances, an emergency situation exists that requires immediate entry upon the lands of Grantor to protect grantor's property or the respond to a threat to human health, safety or the environment, Grantee may enter without prior notice to Grantor and will notify Grantor as soon as reasonably possible after entry.
- 7.2 If necessary, and after consent is obtained from Grantor, Grantee may remove or eradicate brush (but not grass) from this right-of-way. Except for chemicals needed to treat the Pipeline and appurtenances, Grantee may not bring any chemicals or noxious substances onto Grantor's land.
- 7.3 If Grantee repairs, or removes the Pipeline or any part thereof, Grantor shall be paid surface damages for the disturbed area based on the prevailing rates being paid in the area at the time.

8. HUNTING, FISHING AND RECREATION

It is further agreed that the right of entry upon Grantor's lands is limited to reasonable times and places for carrying out the intent of the rights granted hereby to Grantee and that absolutely no hunting or fishing or recreation will be permitted by Grantee or others in the employ of Grantee upon Grantor's lands; and it is further agreed that neither Grantee nor its agents, servants, employees, contractors nor subcontractors will be permitted to bring firearms, fishing equipment, camping equipment and dogs upon Grantor's lands, nor shall Grantee be allowed to remove any plants, wood, arrowheads, artifacts and/or any other archeological materials, or any objects whatsoever from Grantor's lands. In addition to any other remedies available to Grantor under this Agreement, if any of Grantee's employees, representatives, agents, contractors, subcontractors or invitees violate any of the provisions contained in this paragraph, Grantor may give notice thereof to Grantee and, if Grantee does not voluntarily remove or exclude any such individual from Grantor's lands, Lessor shall have the right to eject such individual from Grantor's lands and thereafter prohibit such individual from entering Grantor's lands. In addition, if a deer or livestock is killed under circumstances in which a reasonably prudent person would assume it was done by those entering Grantor's land under authority of this Agreement, then Grantee shall pay Grantor the fair market value of such animal, using prevailing rates being paid by current deer hunters to hunt deer in Webb County, Texas, but never less than \$5,000.00 per animal.

9. ENVIRONMENTAL

As used in this Agreement, the term, "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remedial, removal, or restoration work performed in response to any federal, state or local government authority or private attorney general action, or pursuant to any federal, state or local statute, rule, regulation or other laws. Grantee agrees (1) to remove from Grantor's lands, any Hazardous Materials placed or released thereon by Grantee, (2) to perform Remedial Work where the need therefore arises as a result of and is caused by Grantee's operations or activities on Grantor's lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Grantee and Remedial Work on or associated with this Agreement. If Grantee fails to timely commence or cause to be commenced, or fails to diligently prosecute to completion, such Remedial Work, Grantor may, but shall not be required to, cause such Remedial Work to be performed at Grantee's expense. Grantee shall provide Grantor with notice of any claim or other action by any governmental agency or other third party received by Grantee involving the actual or alleged existence of Hazardous Materials on Grantor's lands, and upon written request, shall provide Grantor with copies of (1) any notice of any release of Hazardous Materials given to Grantee pursuant to any law or regulation, and (2) any report of and response to any such incident given to Grantee. Grantee agrees to indemnify, pay and protect, defend and save Grantor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Material where such presence or release results from and is caused by Grantee's operations on Grantor's lands, provided, however, Grantee shall not indemnify Grantor from Grantor's own negligence or willful

misconduct. This indemnification shall include reasonable costs in connection with any Remedial Work pertaining to such Hazardous Material resulting from Grantee's operation, when performed by Grantor or any third party in response to any federal, state or local governmental authority, laws or regulations, due and payable upon demand therefore by Grantor. The provisions of this Section 9 shall survive the termination or expiration of this Agreement.

10. LIABILITY AND INDEMNITY

10.1 INDEMNITY

10.1.1 Grantee agrees to defend, indemnify, protect and hold harmless Grantor from any and all liens, claims, demands, costs (including but not limited to reasonable attorney's fees, reasonable accountant's fees, reasonable engineer's fees, reasonable consultant's fees and reasonable expert's fees), expenses, damages, losses and causes of action for damages arising from the imposition of recording of a lien, injury to persons (including death), and/or injury or damage to or loss of any property or improvements caused by or resulting from (i) the operations of Grantee, whether directly or indirectly, **AND WHETHER OR NOT ARISING FROM OR CONTRIBUTED TO BY THE NEGLIGENCE, EXCEPTING THE GROSS NEGLIGENCE AND WILLFUL MISCONDUCT, OF GRANTOR**, or (ii) the acts or omissions of Grantee, its employees, servants, representatives, agents or any other person acting under its direction or control, whether or not or to what extent Grantee is protected from such claims by Grantee's insurance coverage. Further, Grantor, shall never be liable for any claims, demands, costs, expenses, damages, losses, causes of action or suits for damages because of injury to persons or property arising out of the negligence, gross negligence, strict liability or other acts or omissions of Grantee, its agents, employees, servants, contractors or any person acting under its direction and control on Grantor's lands. Grantee assumes all risk and liability of any kind and nature incident to, occasioned by, or resulting in any manner, directly or indirectly, from Grantee's operations hereunder. Grantee agrees to keep Grantor's lands duly and fully protected against liens of every character arising in connection with, or resulting from, Grantee's operations. Grantee agrees to promptly discharge (either by payment or by filing of the necessary bond, or otherwise) any undisputed mechanic's, materialmen's, or other lien against lands covered by this Agreement and/or Grantor's interest therein, which liens may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for Grantee in, upon or about Grantor's lands.

10.1.2 Grantee is not an agent nor an employee of Grantor, and Grantor shall have no responsibility to inspect or oversee Grantee's operations nor to indemnify or correct any potentially harmful, dangerous or damaging

conditions. Neither Grantee nor its contractors shall have the right of contribution or indemnity from Grantor for any matter relating to operations on Grantor's lands or conditions on said lands, **REGARDLESS OF WHETHER OR NOT SUCH MATTERS ARISE FROM GRANTOR'S NEGLIGENCE, EXCEPTING THE GROSS NEGLIGENCE AND WILLFUL MISCONDUCT OF GRANTOR.** In the event that Grantee's operations result in a violation of any rules and regulations of the Texas Commission on Environmental Quality or any state or federal regulatory authority, Grantee agrees to satisfy the requirements of such agency and provide Grantor with a certificate from such agency reflecting that Grantee has satisfied the requirements of such agency.

10.1.3 Any reference in this Paragraph 10.1 to "Grantor" shall include Grantor's heirs, successors, assigns, transferees, employees, agents, lessees, contractors, subcontractors, as well as trustees, beneficiaries, relatives, partners, officers, directors and related or affiliated entities, if applicable, who may hereafter acquire any interest in Grantor's lands. Any reference in this Paragraph 10.1 to "Grantee" shall include Grantee's partners, employees, agents, servants, contractors, consultants and any other person coming onto Grantor's lands under authority granted to Grantee under this Agreement.

10.2 INSURANCE

During the time that any of the provisions of this Agreement are applicable, Grantee shall carry a minimum of (a) comprehensive general public liability insurance coverage of at least \$2,000,000.00, such insurance to provide coverage for premises operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual insurance, broad form property damage, independent contractors and personal injury coverage including coverage for construction, operation and maintenance of the pipeline, including but not limited to, loss or injury resulting from Hydrogen Sulfide Gas (H₂S or "Sour Gas"); and (b) workers compensation and employer's liability insurance coverage of at least \$1,000,000.00 per employee bodily injury by accident and (c) Excess Umbrella Liability Policy of at least \$5,000,000.00, which coverage and exclusions shall be identical to the insurance policies required under (a) above. Grantor shall be furnished proof of such coverage before commencement of operations hereunder and Grantee shall furnish Grantor a certificate of insurance providing for thirty (30) days prior written notice to Grantor of cancellation of, or change in, coverage. To the extent allowed by law, Grantee shall name Grantor as additional insured under all insurance policies, which policies shall include specific endorsements providing Waiver of Subrogation in favor of Grantor.

11. NOTICE

Grantor and Grantee designate the following persons and/or addresses for all notices:

GRANTOR

Webb County Commissioners Court, Trustee
for Webb County School District
1000 Houston
c/o Judge Danny Valdez
Laredo, Texas 78040

GRANTEE

Meritage Midstream Services, LLC
1120 Washington Avenue, Suite 200
Golden, Colorado 80401

11.1 Notices shall be deemed to be given when received by the addressee. Grantor or Grantee shall have the right to designate in writing a different person or address.

12. **BREACH**

Except for the provisions of Paragraphs 1 and 2 above, should Grantee breach or fail to perform any covenant, undertaking or obligation contained herein or arising hereunder, then Grantor shall give Grantee written notice of such breach or failure to perform, via certified mail at the above address, or such address designated in writing by Grantee. Grantee will have thirty (30) days from receipt of such notice to commence the remedy of same and prosecute such effort with reasonable diligence until concluded. In the event that Grantee fails to timely commence remediation of such undisputed breach within reasonable time and perform in the agreed manner, then, and in that event, all rights and privileges granted to Grantee hereby shall terminate.

13. **ASSIGNMENT AND SUBLETTING**

13.1 Grantee may assign this Agreement to Eagle Ford Escondido Gathering, LLC without consent from Grantor but shall provide Grantor with a copy of such assignment within thirty (30) days of the effective date of such assignment.

13.2 Except as stated in Paragraph 13.1, Grantee may not assign or transfer this Agreement or any part thereof without Grantor's prior written consent, which consent will not be unreasonably withheld; provided, however, upon thirty (30) days written notice to Grantor, Grantee may assign all or any part of its right or obligations to its own affiliates, subsidiaries or parent company without consent from Grantor, but shall provide Grantor with a copy of such assignment within thirty (30) days from the execution date of such assignment. In no event may any assignment of this Agreement ever operate to reduce or extinguish obligations of Grantee which accrued prior to such assignment or partial assignment.

13.3 Grantor may fully assign or transfer any of their rights hereunder but in such event, it is agreed that any such change, transfer or division of Grantor's rights hereunder shall not operate to enlarge the obligations or diminish the rights of Grantee. Grantor agrees to provide written notice to Grantee of any such transfer within thirty (30) days after closing of the real estate transaction. Said notice will ensure that Grantee has the current contact information for providing any required notices or payments.

14. MECHANIC'S LIENS

Grantee agrees to promptly discharge (either by payment or by filing of the necessary bond, or otherwise) any undisputed mechanic's, materialmen's, or other lien against Grantor's lands and/or Grantor's interest therein, which liens may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for Grantee in, upon or about lands covered by this Agreement.

15. GRANTEE'S AGENTS

Insofar as the rights of Grantor, and its successors, assigns, Grantees and tenants are concerned, any independent contractor entering upon Grantor's property or the facility for the purpose of performing any part of the operations of Grantee authorized hereby and any servant or employee or other person entering with the permission of any such independent contractor, shall be deemed to be an agent of Grantee. Grantee assumes full responsibility and liability for the acts and omissions of all of its servants, agents, employees, contractors, subcontractors and any other person, firm or corporation which may act on the behalf of Grantee in connection with the facility herein granted.

16. FUTURE DAMAGES

Grantee shall be liable to Grantor and to Grantor's lessees and tenants for any and all damages and injuries caused by any operations or activities of Grantee, to any persons, property of any kind or character and to any improvements of Grantor and Grantor's lessees and tenants whether located inside or outside the boundaries of the facility.

17. UNDERGROUND BORING

Grantee agrees that the Pipeline shall be bored under any creeks, dams, levees or other waterways measuring in excess of twenty feet (20') (measured at the intersection between the creek and the right-of-way). Further, if the right-of-way intersects a public road, then Grantee shall bore the Pipeline under such public road and shall continue boring underneath Grantor's fence adjacent to such public road to distance of at least fifty feet (50') beyond such fence.

18. GATE GUARD

During the construction, repair or removal of the Pipeline, Grantee shall if needed (1) place a full time gate guard (24 hours/day seven days/week) at each and every location used by Grantee's agents to access Grantor's lands; and (2) place a representative of Grantee (12 hours/day seven days/week) at each and every fence crossing where an interior fence has been cut as provided in Paragraph 6.1 above. Grantee shall bear all costs for such service. Grantee's representative referenced in item (2) herein shall be responsible for preventing livestock from crossing the fence at any locations where same was cut by Grantee but shall only be present during times when Grantee is actually conducting operations on Grantor's lands.

19. REPRESENTATIVES

Grantor and Grantee agree to designate a representative that is available at Grantor's lands during construction, repairs, alterations and removal of the Pipeline. Grantee's initial representative is Homero Martinez (phone no. 956.206.7933). Grantee agrees not to enter Grantor's lands without providing Grantor's representative with at least 24-hour notice.

20. MISCELLANEOUS CLAUSES

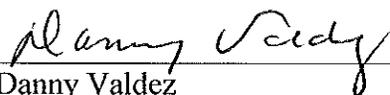
- 20.1 It is agreed that this instrument includes all of the agreements between the parties and no representations or statements, verbal or written, have been made modifying, adding to, or changing the terms of this Agreement. The terms and provisions hereof shall inure to the benefit of and be binding upon Grantor and Grantee and their respective heirs, successors, representatives and assigns.
- 20.2 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and Webb County shall be the proper venue for any matter arising under this Agreement.
- 20.3 All exhibits attached hereto are incorporated herein by reference and made a part hereof as if fully rewritten or reproduced herein. Any discrepancy between a map or plat and a legal description shall be resolved in favor of the legal description.
- 20.4 Except and unless above provided for, nothing in this Agreement shall in any way amend, alter or change the terms of any lease which covers mineral lands owned by Grantor (to the extent such lease is valid and subsisting) nor does this Agreement expand the rights of the lessee or reduce the rights of the lessor under any lease (to the extent that said lease is valid and subsisting). Further the execution and delivery of this Agreement and the acceptance of payments by the undersigned shall not constitute a revival, ratification or adoption of any lease nor estop any party hereto from enforcing any claim, demand or causes of action which have or could in the future accrue under any lease.
- 20.5 The headings herein are for guidance only and shall have no significance in the interpretation of this Agreement.

- 20.6 No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of a similar or dissimilar nature, unless expressly so stated in writing.
- 20.7 In the event any provision or any portion of any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable by reason of any law or public policy, such provision or portion thereof shall be considered to be deleted, and the remainder of this Agreement shall constitute the entire Agreement between Grantor and Grantee.
- 20.8 This Agreement is intended solely for the benefit of the parties hereto and their heirs, successors and assigns and shall not create any rights, including without limitation any third party beneficiary rights, in any third party.
- 20.9 The provisions of Paragraphs 2, 6, 9, 10 and any other provisions pertaining to restoration of the surface of Grantor's lands or to accrued but unpaid payments owed to Grantor shall survive the termination or expiration of this Agreement and no delay or omission in exercising any right hereunder shall operate as a waiver of such right or any other right of Grantor.
- 20.10 The financial terms of this Agreement, shall remain confidential by Grantor and Grantor agrees not to disclose such terms to any third parties other than Grantor's accountants, attorneys, engineers, employees or other agents.
- 20.11 In lieu of filing this Agreement of record, Grantor and Grantee agree that a memorandum of this Agreement making appropriate reference hereto shall be filed for record in Webb County, Texas. In the event of any conflict between recitations contained in such memorandum and those contained herein, the provisions of this Agreement shall control.

This Agreement is made without warranty of any nature except that Grantor represents that it has the authority to execute same.

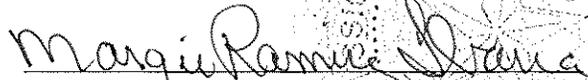
DATED this the 27th day of Sept., 2011.

Webb County Commissioners Court, Trustee for
Webb County School District

By: 
Danny Valdez
Webb County Judge

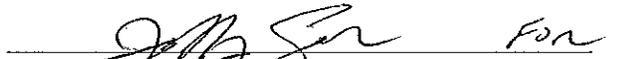
“Grantor”

ATTESTED:


MARGIE RAMIREZ IBARRA, Webb County Clerk

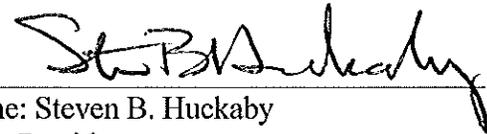


APPROVED AS TO FORM:


ANNA L. CAVAZOS RAMIREZ, Webb County Attorney

*By law, the County Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review was conducted solely from the legal perspective of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorneys.

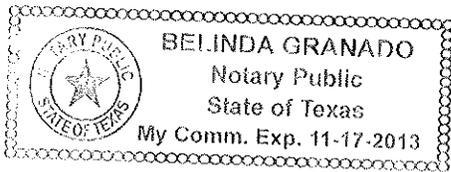
MERITAGE MIDSTREAM SERVICES, LLC

By: 
Name: Steven B. Huckaby
Title: President

“Grantee”

STATE OF TEXAS §
 §
COUNTY OF WEBB §

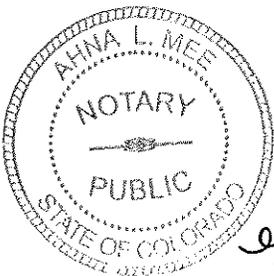
This instrument was acknowledged before me on Webb by Danny Valdez, County Judge of Webb County, Texas.



Belinda Granado
Notary Public
State of Texas

THE STATE OF COLORADO §
 §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on this 21 day of September, 2011, by Steven B. Huckaby, as President of Meritage Midstream Services, LLC, a Delaware Limited Liability Company on behalf of said company.



exp 3/15/2015

Ahna L. Mee
Notary Public in and for
The State of Colorado

WEBB COUNTY, TEXAS

EXHIBIT "A"

September 14, 2011
Sheet 2 of 2

DESCRIPTION: PERMANENT EASEMENT

A permanent easement being thirty (30) feet in width, fifteen (15) feet right of and fifteen (15) feet left of a surveyed baseline as shown on Sheet 1 of 2 of this Exhibit "A", being situated in the Webb County School Land Survey No. 1383, Abstract No. 503, Webb County, Texas, out of a 4,428 acre tract of land, described in grant to, Webb County School Land League No. 1, recorded in Book 5, Page 384-385, Official Records of Webb County, Texas (O.R.W.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline, by centerline description as follows:

BEGINNING (P.O.B.) in the East line of said School Land, South 00°15'07" East, a distance of 5,771.9 feet, from whence an iron rod found, for the interior corner of said 4,428 acre tract, and being the Southwest corner of a 1,780.5 acre tract, described in Volume 1389, Page 750, Deed Records of Webb County, Texas (D.R.W.C.T.);

THENCE, in a Southwesterly direction, crossing said School Land tract, the following calls:
South 44°43'31" West, a distance of 62.7 feet, South 00°19'32" East, a distance of 5,831.5 feet, South 28°46'31" West, a distance of 6,502.1 feet, THENCE South 00°28'47" East, a distance of 135.1 feet, to a point on the South line of said 4,428 acre tract and North line of 1,100.344 acre tract as described in Volume 178508, Page 179 of the Deed Records of Webb County, Texas (D.R.W.C.T.) and END OF THIS DESCRIPTION, from whence a fence post found for the occupied Southeast corner of said Webb County School Land bears: South 89°35'52" East, a distance of 5,237.8 feet.

The above surveyed baseline traverses the 4,428 acre tract for a total distance of 12,531.4 feet, containing 8.63 acres of land in said permanent easement.

Bearings, distances and coordinates cited in this description are grid, based on the Texas State Plane Coordinate System, South Zone, US Survey Feet, North American Datum 83 (NAD 83).

DESCRIPTION: TEMPORARY WORK SPACE:

A Temporary Work Space being forty (40) feet in width, located West of and adjoining the West line of the previously described PERMANENT EASEMENT out of said Tate tract as shown on sheet 1 of 2 of this Exhibit "A", containing a total of 8.63 acres of land in said permanent easement.

Plat of even date accompanies this centerline description.



Patrick A. Fox R.P.L.S. # 5069

